



Department of Justice

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AT
(202) 514-2007
TTY (866) 544-5309

JAPANESE AUTOMOTIVE PARTS MANUFACTURER EXECUTIVE INDICTED FOR ROLE IN CONSPIRACY TO FIX PRICES AND FOR OBSTRUCTION OF JUSTICE

WASHINGTON – A Detroit federal grand jury returned a two-count indictment against an executive of a Japanese manufacturer of automotive parts for his participation in a conspiracy to fix prices of heater control panels and for obstruction of justice for ordering the destruction of evidence related to the conspiracy, the Department of Justice announced today.

The indictment, filed today in the U.S. District Court for the Eastern District of Michigan, charges Hitoshi Hirano with participating in a conspiracy to suppress and eliminate competition in the automotive parts industry by agreeing to rig bids for, and to fix, stabilize and maintain the prices of heater control panels sold to Toyota Motor Corp. and Toyota Motor Engineering & Manufacturing North America Inc. (collectively, Toyota) for installation in vehicles manufactured and sold in the United States and elsewhere. Hirano, who served as an executive managing director at Tokai Rika Co. Ltd., was also charged with knowingly and corruptly persuading, and attempting to persuade, employees of Tokai Rika to destroy documents and delete electronic data that may contain evidence of antitrust crimes in the United States and elsewhere.

“The Antitrust Division will not tolerate executives directing their subordinates to engage in illegal cartels and conspiracies,” said Brent Snyder, Deputy Assistant Attorney General for the Antitrust Division’s criminal enforcement program. “Attempts to then obstruct justice and destroy evidence will give rise to additional charges.”

The indictment alleges, among other things, that from at least as early as October 2003 and continuing until at least February 2010, Hirano and others attended conspiratorial meetings with co-conspirators and reached collusive agreements to rig bids, allocate the supply and fix the prices for heater control panels sold to Toyota. According to the indictment, Hirano participated directly in the conspiratorial conduct, and directed, authorized and consented to his subordinates’ participation. In addition, the indictment charges that in February 2010, after Hirano learned that the FBI had searched Tokai Rika’s U.S. subsidiary, he knowingly and corruptly persuaded employees at Tokai Rika to destroy paper documents and delete electronic data intending to prevent the grand jury from obtaining evidence of antitrust crimes.

Tokai Rika is a manufacturer of automotive parts, including heater control panels, based in Nagoya, Japan. Tokai Rika pleaded guilty on Dec. 12, 2012, for its role in the conspiracy and to obstruction of justice, and was sentenced to pay a \$17.7 million criminal fine.

Heater control panels are located in the center console of an automobile and control the temperature of the passenger compartment of a vehicle. Heater control panels differ by function and design for a particular vehicle model. Examples include automatic heater control panels, which maintain the temperature within the vehicle to a designated temperature point, and manual heater control panels, which regulate the temperature through manual controls operated by vehicle occupants.

Including Hirano, 34 individuals have been charged in the government's ongoing investigation into price fixing and bid rigging in the auto parts industry, 24 of whom have pleaded guilty or agreed to plead guilty. Of those, 22 have been sentenced to serve prison terms ranging from a year and one day to two years. Additionally, 27 companies have pleaded guilty or agreed to plead guilty and have agreed to pay a total of more than \$2.3 billion in fines.

Hirano is charged with price fixing in violation of the Sherman Act, which carries a maximum penalty of 10 years in prison and a \$1 million criminal fine for individuals. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine. The maximum penalty for obstruction of justice is 20 years in prison and a \$250,000 criminal fine for individuals.

Today's indictment is the result of an ongoing federal antitrust investigation into price fixing, bid rigging and other anticompetitive conduct in the automotive parts industry, which is being conducted by four of the Antitrust Division's criminal enforcement sections and the FBI. Today's charges were brought by the Antitrust Division's Washington Criminal I Section and the FBI's Detroit Field Office, with the assistance of the FBI headquarters' International Corruption Unit. Anyone with information on price fixing, bid rigging and other anticompetitive conduct related to other products in the automotive parts industry should contact the Antitrust Division's Citizen Complaint Center at 888-647-3258, visit www.justice.gov/atr/contact/newcase.html or call the FBI's Detroit Field Office at 313-965-2323.

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